



FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

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Europe and East-West Trade

by Warren Lee Pierson

Europe, or at least a part of it, is again getting into difficult situations.

This does not mean that conditions are not immeasurably better than they were at the end of the war.

In Italy, in Austria, in France, in England and in the Low Countries the frequent visitor can quickly observe the really great benefits of the Marshall plan. One could criticize some of the activities carried out under the plan, but on balance Marshall aid has been used effectively.

If it had not been for the Korean war, the internal struggles in Indochina and in Malaya—which proved that the U.S.S.R. had no peaceful intentions—Marshall aid would have terminated on schedule. Also, we must bear in mind that in the meantime the North Atlantic Treaty Organization (NATO) has become a going concern. This has placed an added economic burden—although an essential one—on the Western European economies, which had barely recovered from war losses.

The immediate result of NATO was to create an inflationary situation in Western Europe. But, generally speaking, it is encour-

aging to note that inflation is no longer a serious problem. That is the favorable side of the picture.

The disturbing element is France. Because of its political instability, inflation and economic disintegration are gaining ground in France. This is particularly tragic because it is so unnecessary. France, per capita, is one of the richest countries in the world. But as happens so often these days, political instability leads to lack of confidence in the economic sphere.

By contrast, Western Germany is an outstanding example of success. Economic conditions have improved because of the hard work of its people, the ingenuity of its businessmen and the effective utilization of American aid. I believe, especially if the negotiated settlement of the German Federal Republic's external debt is promptly approved by the United States Senate, that it will not be long before the Deutsche Mark will be freely convertible into dollars—at least for current trade balances. That this will be a real achievement can be best understood when we consider that other nations—with equal or better economic conditions—are still struggling

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merely to protect their currencies, which remain nonconvertible. Germany is leading the Continent in the extraction of coal and in the production of steel, chemicals, electrical equipment, machine tools and shipbuilding. Austria is making progress, but there is no country in Europe which can show as rapid economic improvement as Germany.

Europeans Seeking Independence

We often forget—although the Austrians do not—that Austria is a garrisoned country. Because of this and particularly because of Russian interference, Austria is having a tough time making ends meet. Even so, its economy is moving ahead.

Unhappily, in most European countries the rate of economic progress, stimulated until recently by American aid, has come to a near standstill. An exception is Britain, where under the program of Chancellor of the Exchequer Richard A. Butler there has been a gradual but continuing improvement.

In view of current events on the Continent we might ask ourselves: How much military aid will Europe accept from the United States unless we meet certain of *their* political demands? Most Europeans would prefer *not* to rely upon American aid.

An unfortunate aspect of this is that in theory many of these European demands are not entirely unreasonable. The world is impatient for a resumption of normal trade, which is now prevented by ideological differences. The Soviets are aware of this. Many plans appear to be de-

veloping in Europe which might put the democratic world at a disadvantage through further control by the Russians of essential raw materials.

By blocking off potential markets behind the Iron Curtain, the Kremlin keeps Europe dependent on American aid, thereby continuing the strain on the United States economy and disturbing friendly relations between us and our allies.

Since the commercial transactions between East and West are currently a paramount issue, obviously the International Chamber of Commerce at its May meeting in Vienna had to deal with it. Peculiarly, East-West trade was *not* on the official agenda of the conference. However, in the background, in corridor talks and in private meetings, greater expansion of East-West trade was considered a necessity for Western Europe.

The economic phase of the Russian peace offensive is certainly succeeding in Western Europe, not because the Russians are so clever and the Western Europeans are so stupid, but because our own American policies are forcing Western Europe into a situation under which East-West trade becomes a necessity for the economic survival of Western Europe.

Western Europe is daily becoming more skeptical of the American policy which seeks to hold back the Soviet Union and its satellites by armed strength and ultimately to roll back the Iron Curtain through psychological means. Public opinion in Western Europe is not yet ready to accept the concept of a European Defense Community. Somehow, Western Europe has lost the urgency which it

had these past two years to maintain and build up its defenses against probable aggressors. That is the first successful result of the Malenkov peace offensive.

Economic Union First

Our official policy for Europe seeks the establishment of a European Defense Community, to be followed by the political unification of Europe, and only as a third step do we aim at economic unification. My own observations indicate that we *may* be making a mistake in this approach. The United States might be wiser and more successful in first seeking economic unification of Europe; this to be followed by political unification; and once the political and economic union of Western Europe has been established, military unification will no longer be a problem. Our policy makers in Washington might well give this serious thought.

In every Western European country there are strong currents for economic unification. The fact that the Coal and Steel Community—better known as the Schuman plan—is now in business proves that Europe is moving toward unification. In the International Chamber of Commerce deliberations at Vienna it was obvious that at least the *business* community of Western Europe has realized the potential of an economically unified Europe. Economic union of Europe will produce a “160-million-people” market which industries throughout Western Europe can serve. Economic union will offset shortages in one area against sur-

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The President and Congress

By treating their enemies in Congress as though they were friends, a number of former Presidents have created "eras of good feeling" between Capitol and White House. But usually this has meant periods characterized by inertia and inaction, with Congress tending to ignore the President and to neglect his interests. Despite these warnings from the past, however, President Eisenhower has methodically endeavored to tame the congressional tiger by patting it on the head, and in foreign policy he has not fared badly thus far.

He has achieved a clear-cut victory in his proposal to reorganize the military establishment, in spite of protests in Congress against granting to the chairman of the Joint Chiefs of Staff alone the decision-making authority that until now has belonged to all the Chiefs in concert. He has persuaded Congress to support the authorization of a sizeable sum (over \$5 billion) for foreign aid, and it appears likely that actual appropriations will be cut only about the same amount as the higher aid totals sought by former Administrations. He has held at bay the new protectionists who fought through the winter and spring to raise American tariffs at a time when America's allies sought to lower them. The President thus far indeed has won his point on almost every issue that has been resolved.

His success has a twofold foundation—his relations with the Senate and the support he receives from Democrats in Congress.

The importance of the first factor was underlined by the trade agreements bill. An advocate of more liberal trade policies, the President upon

entering office last January found a congressional tide moving toward restriction. The President tried to postpone this conflict one year by recommending simply an extension of the Reciprocal Trade Agreements Act until 1954, with the year's interval to be taken up by a Tariff Commission study of the kind of new trade policy the United States ought to have. The House accepted these proposals but voted to enlarge the bipartisan Commission to insure a Republican majority of its membership. This change in the Commission's make-up could have cost the Chief Executive his victory, in view of the possibility that the revised Commission might have sided with the protectionists at the Capitol and produced a study recommending greater trade restrictions. The President did not publicly complain at the House action. His agents quietly conferred with Senate leaders, and the bill passed by the Senate on July 2 omitted the provision for enlarging the Commission. It was a memorable day for the attitude of "we ain't mad at nobody."

The Bricker Amendment

The importance of Democratic support was borne out during Senate debate on the foreign aid bill. An amendment to reduce the authorization by \$1 billion was defeated on July 1 only as a result of Democratic votes. The Republican vote on the amendment was 21 yea, 20 nay; the Democratic vote, 13 yea, 27 nay.

Issues where Democratic Senators are rather evenly divided put the Eisenhower method to severe test. This is the case in respect to the Bricker Amendment to limit the President's treaty-making power. It

is sponsored by 63 Senators, many of them Democrats. In spite of objections to this amendment raised by Secretary of State Dulles and other Administration leaders, its popularity at the Capitol is undiminished. Moreover, it is used as a club by extreme nationalists in the Republican party to beat moderate Senators of the kind most useful to President Eisenhower. Chairman Alexander Wiley of the Senate Foreign Relations Committee attacked the amendment, and a Republican party conference in Wisconsin, the Senator's home state, attacked Senator Wiley. The President, however, has declined to utter an angry or even impatient word in public about the backers of the Bricker Amendment.

Instead, he has had Attorney General Herbert Brownell approach Senator Bricker in friendly fashion to see if the two of them could not find language for a substitute resolution that would at once calm the Ohio Senator's fears lest the President rewrite domestic law in negotiating treaties and at the same time leave the Constitution as it is.

The tactics of speaking softly without carrying a big stick has questionable value in coping with domestic issues that affect foreign relations. The President's efforts to maintain the current level of taxation to pay for foreign and military policy undertakings is a case in point. The Administration has run into tough opposition from Chairman Daniel Reed of the House Ways and Means Committee. This is another area where the President cannot be certain of Democratic party support. Nevertheless, he is sticking to his friendly approach.

BLAIR BOLLES



Need to Reconstruct Democracy

The East German riots, the hope in the West that these riots might prove the first step toward the liberation of Eastern Europe, and the manifest determination of the Kremlin to carry out the reforms it had launched in an effort to placate East German workers, have given new significance to debates about the strength and prospects of Russia, communism and democracy. ...

No one in the West with any sense of integrity claims to possess omniscient knowledge of Russia's strengths and weaknesses. Available information, however, indicates that Russia is still relatively backward industrially compared with the United States, West Germany and Britain.

The problems faced by any great power in maintaining control over weaker peoples—whether satellites or colonies—at this point in the 20th century are becoming increasingly severe; and they are bound to be multiplied many times over when a relatively backward power like the U.S.S.R. attempts to rule a technically skilled people like the Germans. But the demonstration that Russia is not strong enough to enforce its way of life on people outside its borders does not prove that a Western-type democracy will now prove the alternative to communism.

On the contrary, the results of the June national elections in Italy and the political crisis in France indicate that the change of rulers in Moscow and the seeming eclipse of Russia's influence have not, as yet, had any noticeable adverse effect on the position of local Communists. If it is true, as is often said, that communism outside the U.S.S.R. is due solely or primarily to propaganda and

financial assistance from Moscow, how shall we explain the persistence of communism in Western Europe? And, even more significantly, how shall we explain the striking fact that East German workers, in demonstrating against the Communist regime, were reported to be indifferent to West German slogans and politicians?

Why Communism Persists

One of the most impressive answers to these questions was given by a study into the possible causes of communism undertaken by the bishops of Catholic France. The bishops' report, based on a detailed examination of working and living conditions of the workers in all the dioceses of France, concluded that the *bourgeoisie*, industrialists and landowners feel a certain desire to uphold human freedoms but are affected first and foremost by the profit motive, are unconscious of the gap in living conditions between themselves and the workers, have no genuine appreciation of the workers' problems, and practically never think of sharing profits with the workers. For their part the workers, according to the bishops' report, are convinced that the only way they can improve their lot is through the use of force. They are said not to accept the Communist theory of the class struggle but are acutely conscious of what they regard as injustices, demanding fundamental changes in the country's social structure.

If this is an accurate picture of the state of mind of French workers, it probably applies even more strongly to the workers of Italy. The West, of course, can argue, and argue per-

suasively, that the East German riots and what is known of labor conditions in the U.S.S.R. demonstrate that communism offers no paradise to those who work. But is this an answer that will carry weight with the workers of Western Europe? These men and women are sufficiently knowledgeable to understand that the West is technically more advanced than Russia and may well believe that instead of denouncing the Kremlin, Western employers would do better to prove by reforms of their own that democracy is superior to communism. Change is in the air—change both in the West and in the East of Europe. There would be far greater hope of constructive results if the leaders of Western Europe, and their supporters in the United States, had the courage to realize that technological and administrative alterations, including the Schuman plan, will not be enough unless there is a will also to alter the social content that goes into the new molds, a will to reconstruct democracy. Europe is on the threshold of the second Industrial Revolution, which would make it possible to use the tools and techniques evolved by the first to foster and advance the well-being not of a few at the top but of the population as a whole.

"Our freedom has become a weakness, and the democratic system is the most difficult of all regimes," said President Vincent Auriol of France on June 28 at Pau. The American Library Association manifesto of June 25 put this in a more positive way when it declared, "Freedom itself is a dangerous way of life, but it is ours."

VERA MICHELES DEAN



New U.S. Policy in the Middle East?

by Georgiana G. Stevens

Mrs. Stevens, a journalist who has lived and worked in the Middle East, has made a special study of the Arab refugee problem. She has written on this and related topics for the *Middle East Journal* and the *Foreign Policy Bulletin* (July 1 and July 15, 1952).

The visits to the Middle East of Secretary of State John Foster Dulles and Mutual Security Director Harold E. Stassen, the first ever made there by American officials of this rank, seem to have paved the way for a quiet shift in official attitudes towards the Arab governments and Israel, rather than for any dramatic policy changes in this area.

There is a new disposition in Washington to take more seriously the appeals of the Arab reform governments for economic aid and political consideration. In the case of Israel there is a tendency to weigh favors more deliberately, with an eye to their effects on Israel's unreconciled neighbors, in an attempt to strike as impartial an official attitude as possible.

An even more significant long-run result of this journey of exploration has been a clarification of the distinction to be drawn between Arab nationalism and communism. Recognition of this critical distinction is implied throughout Mr. Dulles' radio report on the trip on June 1, 1953. It is clear that even brief encounters with dominant figures such as General Mohammed Naguib in Egypt and General Adib Shishekly in Syria, for example, could not help but convey more vividly than the most expert intelligence reports the true temper of the nationalist spirit prevailing today throughout the Arab countries.

Before going on this trip Mr. Dulles explained his mission to a meeting of editors in Washington, saying that "in the case of the Middle East

there has developed a spirit of nationalism which has at times grown fanatical in its opposition to the Western powers." He went on to imply that Communist propaganda had much to do with this state of affairs and said that he hoped in meeting Middle East leaders "to dissipate the false impressions which Communist propaganda has fomented."

Is Nationalism Communist?

This apparent inclination to identify extreme nationalism with communism reflected a confusion about the realities of Middle East politics which the Secretary's visits there seem to have dispelled. For on his return he stressed in his radio report the idea that "the Western powers can gain, rather than lose, from an orderly development of self-government." He noted that Communists in the Arab countries had tried to exploit the anti-Americanism which stems from resentment over the Palestine issue but that Communist demonstrations staged during his visits to the Arab capitals were "inconsequential."

What does appear to have impressed Mr. Dulles and Mr. Stassen is the intensity of anti-imperialist sentiment in the Arab states side by side with an equally strong desire for change. The success or failure of our policy depends chiefly on the degree to which the United States takes account of this real cleavage, which explains the ambivalent behavior of Arab statesmen toward the West.

For example, at the same time that Premier Mohammed Naguib's gov-

ernment is insisting on the end of British control of bases on Egyptian territory, it is also canvassing the Western nations for economic and military aid. A greatly expanded United States Point Four program is now under way in Egypt, at Cairo's request, to speed up the government's program of village welfare services, education and housing, under the guidance of a jointly controlled Egyptian-American Rural Improvement Service. Egypt's Companies Law has been revised to encourage private investment from abroad. A military mission has been shopping in Italy for arms. And Egypt is very much in the market for an International Bank loan for water control and irrigation projects. All these types of Western aid without political strings do not impinge on sensitive nationalism. The Egyptians, however, insist on asserting complete sovereignty over their territory along the Suez Canal route. The problem, therefore, when Mr. Dulles and Mr. Stassen appeared on the scene, was to establish confidence in Western intentions and to dispel the prevalent idea that Washington's desire to see the Suez bases maintained and protected masks Western imperialist aims.

This crisis of confidence in the West could not be solved by one official visit, although the Dulles-Stassen visit was well-timed to take some of the edge off the tension over the Suez issue in Cairo. Nor can it be solved by high-sounding statements, by premature bids for bases in exchange for arms, or by money. There

is already on the books a May 1950 tripartite declaration by the United States, Britain and France in which the three powers affirm their support of the right of all Middle Eastern states to arm themselves for defense, and pledge protection against internal aggression by one state against another. This statement has served to stabilize the borders between Israel and the Arab states but has not prevented considerable "straightening of the line" in Israel's favor since that time. It has permitted the sale of arms to Israel and the Arabs; but in the absence of even token UN forces on the spot, it has not prevented outbreaks of violence along the border, particularly in Jerusalem.

Similarly, the West's abortive attempt in 1951 to anticipate the contemplated withdrawal of British troops from the Canal Zone by setting up a Middle East Command there failed because it ignored Egypt's basic need to assert its independence and self-respect after a humiliating occupation during World War II and defeat in the Palestine war. Finally, while it is true that the Arab states which need financial aid most are seriously short of local capital, it is not clear that many of them can effectively use large amounts of dollars. And it is debatable whether, in their present hypersensitive condition, it is in the interest of the United States to proffer the administrative supervision which must necessarily accompany extensive American financial aid.

What Kind of Aid?

Mr. Dulles' report showed his awareness of this situation when he stated: "There are ways in which the United States can usefully help, not with masses of money, but by contributing advanced technical knowledge." The inference here is that the technical aid approach will continue

to be a feature of the Eisenhower Administration's policy in this area, in spite of considerable wishful thinking about the possibility that private investment might take over in this field.

It is significant, in this connection, that a rapid on-the-spot survey to explore openings for private investment in the Middle East has recently been made by Eric Johnston at the President's request. In his capacity as chairman of the International Advisory Board of the Technical Cooperation Administration (TCA), Mr. Johnston toured the Middle East last spring, and from guarded reports on this mission it is evident that Mr. Johnston did not find the general prospects for foreign private investment sufficiently encouraging to recommend that it replace Point Four, as had been hoped in Washington.

Barring rapid expansion of private industry in the Middle East, the Eisenhower Administration can either follow the pattern of technical aid through TCA, which has been operating for two years; or it can adopt the more expansive philosophy advocated by former regional ambassador, Edwin A. Locke, Jr., and underwrite "the vigorous and coordinated economic development of the Arab states with special emphasis on the regional aspects." This idea seems to be back of current requests to Congress for special assistance for the Middle East, Israel and the Arab refugees of \$194 million in the President's foreign aid program. This special aid, which would be in addition to continued support for the Point Four program at current rates, was designated by Secretary Dulles as "a limited program of economic aid for capital development." The requested appropriation was broken down in the Administration aid bill request as follows: \$140 million to be used in the area as a whole in a flexible

manner; another \$30 million would be authorized, but not appropriated, for continuing aid to the Arab refugees through the United Nations Relief and Works Agency for Palestine Refugees, for which unspent United States funds are still on hand; \$24 million for aid for dependent overseas territories as distinct from the independent countries of the area.

Two significant conclusions can be drawn from these proposals by the Administration to Congress. One is that Washington officials hope that by resorting to a generous new offer of aid for capital development they can appeal to the more progressive element now in control of the Arab governments to settle with Israel for the sake of their own economic salvation. The request for a new type of economic aid to the extent of \$140 million for capital improvements in the Middle East area represents a departure in United States policy in this region. It means that the new Administration has decided to try to speed the pace of the industrial development process in the Arab states, as has long been urged by one school of American opinion. It will now be up to the Arab governments to qualify for grants to extend their communications, water power and transportation systems, as Turkey and Israel have done with United States aid funds. The idea behind the extension of this type of American aid now is to indicate to the Arab nations a genuine concern for their successful evolution as modern states. Less explicitly, the new program is designed to strengthen the Arab economies to a point where they can automatically absorb much of the Arab manpower now languishing in idle bitterness in refugee camps.

It remains to be seen how effective this fresh attempt to ameliorate a political problem by economic means will prove. Meanwhile, the TCA pro-

gram continues to reinforce wherever it can the efforts of local governments to improve the lot of farmers and villagers. Such programs as that of TCA in Jordan, where a successful scheme of water-spreading is under way, promises much in this direction.

The second significant aspect of the new economic program is that in the Middle East the Administration is committing itself further to a unilateral approach on the economic front while holding as firmly as possible to a joint Anglo-American approach on the political front. This development confirms the postwar trend in Anglo-American relations toward mutual recognition of Britain's relative economic weakness, along with a mutual desire to sustain a united diplomatic front in Asia.

Realignment of Policies

Looking back, it is plain that this realignment of policies is the inevitable sequel to the events of 1947, when Britain's withdrawal from Greece forced the hasty improvisation of the Truman Doctrine for the Mediterranean. Since that time, whenever Britain has had to relinquish a commitment in the Middle East, it has attempted to draw in the United States, preferably on a partnership basis. This pattern has been evident most recently in the Suez Canal dispute with Egypt, where Britain, contemplating the necessity of moving out, has been attempting to assure joint Anglo-American sponsorship of a Suez-based Middle East Command to fill the potential vacuum. In London and Washington this move makes sense at a time when power vacuums invite Communist attention. In Cairo, however, Anglo-American overtures for a joint command have sounded too much like occupation in a new guise. Thus Egypt offers a poignant example of

the crisis of confidence between East and West today. And the Western powers are confronted again with the problem of weighing their need for security against what Arnold Toynbee calls "the importance of not making ourselves too odious to the non-Western majority of mankind."

In Egypt, too, it can be most plainly demonstrated that Arab nationalism does not stem from communism but from indigenous aspirations for self-determination and self-respect. The fortunate aspects of the situation are that Premier Mohammed Naguib is not essentially anti-Western nor a fanatic. He is also capable of exerting a moderating effect on public opinion. This accounts for the enthusiasm with which his rise has been greeted by many Western observers and the favorable attention which his appeals to Washington receive.

The ferment in Egypt since Naguib's rise to power has been described as similar to that of early New Deal days in Washington, with the government attracting to Cairo a talented and dedicated group of young effendis. Such steps as those taken in July to impose austerity on the government bureaucracy are happy signs of the times in Egypt.

Complaints against the government come these days from the rich rather than the poor, a revolutionary development in itself and a significant one. This apparent energizing of Egyptian political life in the past year, and Egypt's potentially friendly attitude toward the West, account for the quickened interest displayed by Washington in the country's progress as a republic.

In visiting the other Arab capitals as well as Tel Aviv, Mr. Dulles and Mr. Stassen found a different order of priorities. For farther East the obsession with Suez fades and the Arab obsession with Palestine emerges

sharply. On the Israeli side it is apparent to any visitor that the economic boycott of the new state by its neighbors, extending even to firms abroad which trade with Israel, is having a crippling effect at a time Israel can least afford it. In Jerusalem Mr. Dulles noted that the atmosphere is "heavy with hate." He noted, too, the danger that some 800,000 Arab refugees constitute for the entire area and suggested their resettlement, partly "in the area presently controlled by Israel," but mostly in the Arab countries.

In touching on these two situations—Jerusalem and the refugees—Mr. Dulles indicated a desire to see concessions by both the Arabs and the Israelis. He indicated also his belief that a genuinely impartial American policy is in the interest of Israel as well as the United States. What he is up against here is a lack of Arab confidence in Washington's intentions which it will take deeds rather than words to remove. Hitherto successive Arab disappointments at American actions—notably our support of Israel and our lack of interest in long-recognized Arab claims for restitution at the last session of the UN General Assembly—have left the Arabs skeptical about American interest in their fate but hopeful that a new Administration in Washington may, after taking this initial look at their problems, come up with a fresh approach.

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pluses in others. Equally, economic unification will make Europe a much more competitive producer of exports to all areas of the world, including the United States.

The fruits of economic unification of Europe will be greater productivity, lower prices, higher wages, more jobs and greater prosperity for all.

A favorable solution of the international economic problems of today will require the most painstaking and patient efforts of statesmen everywhere. Also needed is a great fund of tolerance and understanding of each country's political institutions.

The Europeans express disappointment over the fact that the Eisenhower Administration up to now has failed to set a clear course for an American trade policy. In spite of recent events I am convinced that these policies will gradually become less restrictive and more liberal. However, the effect of speeches and messages by President Eisenhower on this subject can very easily be minimized by statements of members of our Congress. If Americans would only examine carefully the ultimate results of a more liberal trade policy, the course for the United States would be simple —

namely, a foreign economic policy of expansion which would increase imports into the American market and produce a concurrent expansion of exports. Our whole economy would thus benefit.

The American public might as well adjust itself to the fact that there *will* be an increase in East-West trade. Britain has been tempted by Russian and Chinese hints for a resumption of trade. A delegation of French businessmen is currently in Peiping. The Germans and the Japanese are pointing out that their lands face economic disturbance unless they can trade with the Soviets and their satellites. East-West trade is not necessarily contrary to our own interests—that is, if strategically important goods are embargoed. We can challenge the Russians with an economic offensive of our own in laying now the foundations for a forward-looking American foreign economic policy.

The free nations must accept the importance of economic stability as a basic condition of strength. No difficulty in international financial and commercial relationships in the long run can remain insurmountable if a scientific and objective, rather than an emotional, approach is taken.

Europe must reconcile itself to finding its own solutions. By this I mean these nations must seek early

economic unification, elimination of trade and fiscal barriers of all kinds, a more effective collection of taxes, increased productivity, improved labor-management relations. They must also devise better distribution and marketing methods to increase their sales all over the world.

The United States, on the other hand, should live up to the responsibilities of the world's major commercial power. We should expand the volume of imports of manufactured goods, increase the flow of private investments for economic development abroad and encourage our friends abroad to stand on their own feet even if it means more East-West trade, and assist morally in re-establishing the normal channels of trade everywhere. The opening up of additional raw-material-producing areas through American investments is obviously in our own political, economic and defense interests.

And if the Soviets seek to hurt the United States through outright economic warfare, as they seem now to be doing in Europe, Asia and Latin America, we might be wise to undertake some counter-action. The economic potential of the free world is much greater than that of our adversaries.

(Mr. Pierson is chairman of the United States Council of the International Chamber of Commerce and chairman of Trans World Airlines.)

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